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Message Text

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15
ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 ISO-00 AGR-20 H-03 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 OMB-01 L-03 SAM-01

NSC-10 SS-20 STR-08 CEA-02 DODE-00 PA-04 USIA-15

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ARA/EP:MFRECHETTE
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EA /PHL:RTWILLNER
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R 282240Z FEB 74
FM SECSTATE WASHDC
TO AMEMBASSY LIMA
AMEMBASSY MANILA
AMEMBASSY MBABANE
AMEMBASSY SAN JOSE

UNCLAS STATE 040737

E.O. 11652 N/A
TAGS: ETRD, EAGR
SUBJECT: SUGAR HEARINGS: PRESENTATIONS FOR PHILIPPINES,
PERU, COSTA RICA AND SWAZILAND

REF: STATE 26559

1. LOBBYISTS REPRESENTING SUGAR SUPPLIERS IN ADDRESSEE
COUNTRIES APPEARED BEFORE HOUSE AGRICULTURE COMMITTEE FEB-
RUARY 28. STATEMENTS COVERING POINTS SET OUT PARA 3 REFTEL
WERE MADE.

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2. JOHN O'DONNELL, SPEAKING FOR PHILIPPINES, REQUESTED

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QUOTA OF NOT LESS THAN 1.5 MILLION SHORT TONS. HE STRESSED THAT PHILIPPINES HAS SUPPLIED ON AVERAGE ALMOST THAT AMOUNT OVER LAST THREE YEARS, AND SAID "PURPOSE OF THE PHILIPPINE SUGAR INDUSTRY WILL CONTINUE TO BE TO SUPPLY THE U.S. THE MAXIMUM QUANTITIES OF SUGAR PERMITTED BY QUOTAS. THE PHILIPPINE SUGAR INDUSTRY RECOGNIZES . . . THAT ACCEPTANCE OF A QUOTA TO SELL IN THE U.S. CARRIES WITH IT A MORAL COMMITMENT TO FILL THAT QUOTA EVEN WHEN THE U.S. QUOTA PRICES ARE BELOW WORLD PRICES." O'DONNELL WAS CLOSELY QUESTIONED BY CHAIRMAN POAGE ON REASONS PHILIPPINES TOOK ONLY SMALL PART IN FIRST-COME, FIRST-SERVED OPPORTUNITIES IN LATE 1973 AND NONE IN EARLY 1974. THERE WERE NO RPT NO QUESTIONS REGARDING GENERAL U.S.-PHILIPPINE ECONOMIC RELATIONS.

3. EDWIN SEEGER, REPRESENTING PERU, REQUESTED RETENTION OF PERU'S CURRENT SHARE OF THE TOTAL FOREIGN SUGAR QUOTA. HE EMPHASIZED THAT SINCE PERUVIAN INDUSTRY IS OWNED BY WORKERS COOPERATIVES, IT NEEDS STABLE AND SECURE MARKETS FOR ITS SUGAR. HE EXPLAINED PERU'S SHORTFALLS IN 1972 AND 1973 AND SAID PERU "ANTICIPATES THAT IT WILL BE ABLE TO FILL ITS CURRENT FINAL ADJUSTED U.S. SUGAR QUOTA FOR 1974." CHAIRMAN POAGE AND OTHER COMMITTEE MEMBERS QUESTIONED SEEGER ON FISHING BOAT SEIZURES AND STATUS OF INVESTMENT DISPUTES. HE EXPLAINED THAT THERE HAVE BEEN NO SEIZURES IN OVER A YEAR AND DEFENDED PERU'S POSITION ON TERRITORIAL WATERS. HE EXPLAINED TO POAGE RESULTS OF GREENE MISSION AND SAID HE BELIEVED AMOUNT OF NEGOTIATED SETTLEMENT WOULD BE ADEQUATE TO INDEMNIFY W.R. GRACE, AMONG OTHERS, FOR FULL WORTH OF EXPROPRIATED SUGAR PROPERTIES. POAGE INDICATED DOUBT THAT SETTLEMENT WOULD BE ADEQUATE. SEEGER DEMURRED IN RESPONSE TO REPEATED REQUESTS FOR AMOUNT OF GRACE SETTLEMENT, SAYING THAT DISTRIBUTION OF LUMP SUM PAYMENT IN HANDS OF SECRETARY OF STATE.

4. J.M. CHAMBERS REQUESTED 15,000 TON INCREASE IN QUOTA FOR SWAZILAND. HE HIGHLIGHTED IMPORTANCE OF SUGAR INDUSTRY TO SWAZI ECONOMY AND NEED FOR SECURE AND STABLE EXPORT OUTLETS. NO BILATERAL ISSUES WERE RAISED DURING QUESTIONING.

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5. DINA DELLALE, FOR COSTA RICA, REQUESTED QUOTA OF 150,000 TONS, LARGELY ON BASIS OF COSTA RICA'S PERFECT PERFORMANCE RECORD AS U.S. SUPPLIER. SHE MADE SPECIAL POINT OF FACT THAT COSTA RICA HAS SUPPLIED SUGAR ON FIRST-COME, FIRST-SERVED-BASIS IN BOTH 1973 AND 1974, AND IN EACH CASE HAS BEEN FIRST TO VOLUNTEER TO DO SO. SHE ALSO SUGGESTED AMENDMENT TO SUGAR ACT WHICH WOULD REWARD THOSE WHO SUPPLY ON FIRST-COME, FIRST-SERVED BASIS WITH AN INCREASE IN THEIR

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BASIC QUOTA OF 20 OF THE AMOUNT SUPPLIED. AS WITH SWAZI-
LAND, NO BILATERAL ISSUES WERE RAISED.

6. COMMITTEE AGREED TO TAKE ALL QUOTA REQUESTS UNDER
ADVISEMENT.

7. TEXTS OF STATEMENTS WILL BE POUCHED. CASEY

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Disposition Authority: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
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Disposition Reason:
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